



ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

Section 17A.4(3) Iowa Code Supplement requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm.

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARC 4748B

Rule Summary The rule updates the optional payroll deduction for additional insurance coverage. These amendments clarify IAC 11 rule 46.6, Distribution of Literature, and IAC 11 rule 46.11, Unapproved Solicitation. Also, a new rule is added regarding reinstatement after a company has been terminated from the payroll deduction program.

Fiscal Impact No fiscal impact.

ARC 4749B

Rule Summary The proposed rule increases compensation for non-contract employees, at the discretion of the Departments, upon obtaining an increase in credentials.

Fiscal Impact The fiscal impact cannot be determined since the increase is at the discretion of the Departments.

ARC 4747B

Rule Summary This rule assists in the implementation of Executive Order 41, signed by the Governor on April 22, 2005. The purpose of amendments to Chapter 103 are to ensure that drivers of State vehicles that are capable of using fuel with 85.0 percent ethanol (E-85) will use E-85 where it is available, or will use just enough of the 10.0 percent ethanol fuel (E-10) to get to the nearest E-85 fueling facility. State fueling facilities are to be utilized where available. Amendments to Chapter 105 require that specifications for replacement State vehicles be written to procure vehicles with alternative fuel capabilities or hybrid-electric vehicles, providing an equivalent vehicle is available, while also taking into account the current rule regarding life-cycle costing and energy efficiency. In addition, a standard is specified for bulk diesel fuel procurement.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14613)

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COLLEGE STUDENT AID COMMISSION – DEPARTMENT OF EDUCATION

ARC 4722B

Rule Summary Increases the maximum State-funded loan repayment award under the Osteopathic Physician Recruitment Program from \$40,000 to \$50,000. This Program, in cooperation with local communities, provides loan repayment awards for graduates of Des Moines University that agree to locate and serve in an “eligible rural community,” defined as an Iowa community with a population of less than 10,000. State-funded awards must be matched by an equal amount of local community funds. This change will not directly impact the State General Fund because the Program must operate within the amount appropriated. Additional funds occasionally become available when physicians do not fulfill the Iowa service requirement and must repay the “unearned” portion of the repayment award. This change allows each physician to receive a larger award, and this can be accomplished without additional State appropriations by providing awards to fewer physicians or using available repayment funds.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF ECONOMIC DEVELOPMENT

ARC 4740B

Rule Summary Establishes a grant program for the promotion of Iowa wine and beer products.

Fiscal Impact The Department receives approximately \$40,000 to \$50,000 in receipts each year from the Beer and Wine Tax, of which most is used for promotional expenses. The Department would use approximately \$8,000 for the grant program.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEPARTMENT OF EDUCATION

ARC 4724B

Rule Summary Clarifies that a parent or guardian must use a student’s legal name when enrolling that student in school.

Fiscal Impact No fiscal impact.

ARC 4727B

Rule Summary Implements statutory changes by moving open enrollment deadlines from January 1 to March 1, allowing school boards to delegate approval of open enrollment requests to the superintendent, making clarifications concerning open enrollment applications after the deadline when harassment or health conditions are involved, and allowing student athletes to participate on non-varsity teams during the 90-school-day restriction period for interscholastic contests and competitions.

Fiscal Impact No fiscal impact.

ARC 4726B

Rule Summary Establishes an approval process for state accreditation of higher education programs engaged in preparation of teacher interns (alternative licensure).

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Fiscal Impact No fiscal impact. The costs associated with accreditation are paid by the institution.

ARC 4725B

Rule Summary Clarifies the intent of the Department to establish standards for smaller school districts to regulate construction projects financed with Local Option Sales and Services Tax for School Infrastructure revenues. Also, eliminates the requirement for a Certificate of Need for larger school districts.

Fiscal Impact No fiscal impact.

ARC 4731B

Rule Summary Changes eligibility requirements for extracurricular interscholastic competitions to require that students must be passing all courses to participate. The ineligibility period is 20 days, followed by a review of the student's grades; subsequent 20-day ineligibility periods may be applied if the student is still not passing all coursework.

Expands "sportsmanship" obligations to schools, as well as contestants and coaches, and permits governing organizations to penalize schools in violation of those obligations.

Exempts any transferring student, who is entering grade 9 for the first time and who did not participate in interscholastic athletic competition for another school during the preceding summer, from the 90-day ineligibility period. The rule also specifies that ineligibility applies only to varsity level contests and competitions.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270) Dwayne Ferguson (Ext. 16561)

BOARD OF EDUCATIONAL EXAMINERS – DEPARTMENT OF EDUCATION

ARC 4721B

Rule Summary Changes the title from "Elementary school media specialist" to "Elementary school teacher librarian." Future licenses will reflect this change in the title. The rule also makes other changes to terminology to reflect current practice and views.

Fiscal Impact No fiscal impact.

ARC 4607B

Rule Summary Adds a basic skills testing requirement to the requirements for licensure for those completing a teacher preparation program at an out-of-state institution.

Fiscal Impact No fiscal impact to the State. Applicants bear the cost of the testing.

STAFF CONTACT: Robin Madison (Ext. 15270)

ENVIRONMENTAL PROTECTION DIVISION – DEPARTMENT OF NATURAL RESOURCES

ARC 4770B

Rule Summary Amends Chapters 40, 90, and 91, and rescinds and adopts new Chapters 44, 92, and 93; updates definitions and program procedures for the Drinking Water and Clean Water State Revolving Fund Programs; transfers the responsibility for financial analysis and loan processing to the Iowa Finance Authority (IFA); and updates the rules to reflect new and streamlined processes.

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Fiscal Impact No fiscal impact. Administrative costs for the State Revolving Fund programs are covered through federal grants and loan fees.

ARC 4771B

Rule Summary The proposed amendment adds a new table to Chapter 65 that lists the Designated Wetlands as established by the Department of Natural Resources (DNR). Chapter 65 provides the statutory authority for the DNR to establish a set of designated wetlands for the purpose of requiring separation distances for construction of confinement animal feeding operation structures. Eligible lands must be owned and managed by the federal government or by the DNR. Lands within a drainage district or levee district are not eligible.

Fiscal Impact No fiscal impact since current DNR employees will enforce the separation distances. Private industry may lose potential benefits of locating confinement feeding operations in the proximity of this set of newly designated wetlands.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ETHICS AND CAMPAIGN DISCLOSURE BOARD

ARC 4765B

Rule Summary Reflects statutory changes enacted by the 2005 General Assembly that impact Board advisory opinions (jurisdiction of the Board and opinions as defense to complaints).

Fiscal Impact No fiscal impact.

ARC 4762B

Rule Summary Reflects current Board policy of permitting persons who wish to voluntarily register campaign committees prior to exceeding the \$750 financial filing threshold for purposes of using the shorter "paid for by" attribution statement.

Fiscal Impact Minimal fiscal impact. The Board will create a new form as a result of the rule change.

ARC 4766B

Rule Summary Permits campaign committees to make campaign transactions by debit card and credit card (currently may only do so by check).

Fiscal Impact No fiscal impact.

ARC 4768B

Rule Summary Reflects current Board policy that allows a person to resolve a violation of the "paid for by" attribution statement by resending corrected political materials to the same portion of the public that received the original political material and by filing a copy of the corrected materials.

Fiscal Impact No fiscal impact.

ARC 4763B

Rule Summary Modifies the Board's current rule on the use of corporate property for campaign purposes and references current laws relating to placement of campaign signs.

Fiscal Impact No fiscal impact.

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ARC 4767B
Rule Summary Establishes a procedure for officials of a regulatory agency to obtain consent when selling goods or services to a person subject to the regulatory authority of the agency.

Fiscal Impact Minimal fiscal impact since regulatory agencies rescind the rules on this issue.

ARC 4764B
Rule Summary Rescinds rule 8.10 regarding the sponsor of a function held during the Legislative Session filing a report directly with the Ethics Board. As a result of the law change, the Board will now receive copies of these reports from the General Assembly during the Legislative Session.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF HUMAN SERVICES

ARC 4711B
Rule Summary Establishes rules for the voluntary child care rating system that was authorized in legislation enacted during the 2005 Legislative Session, and adds appeal rights for providers participating in the system.

Fiscal Impact There are 6,000 registered child development homes and 1,500 licensed child care centers. It is unknown how many of these providers will participate in the first year.

House File 825 (FY 2006 Health and Human Services Appropriations Act) appropriated \$900,000 for establishment of the system, including costs associated with project management and support, marketing and public awareness, quality rating system specialists, environmental rating scale training, and additional provider training and achievement bonuses. It is estimated that these costs may increase by \$450,000 in FY 2007.

ARC 4712B
Rule Summary Amendments update form references for various income maintenance programs.

Fiscal Impact The fiscal impact cannot be determined. The proposed rule is anticipated to result in increased compliance by members, less need for follow-up by income maintenance workers, and reduced costs.

ARC 4741B
Rule Summary Sets up framework for administration of the Children's Mental Health Waiver; adds consumers of the Children's Mental Health Waiver as an eligible group for targeted case management; and defines "eligible group for case management," and "severe emotional disturbance" as it relates to eligibility for the Waiver.

Fiscal Impact No fiscal impact.

ARC 4751B
Rule Summary These amendments clarify expectations of provider organizations and update accreditation procedural requirements for providers of services to people with mental illness, mental retardation, and developmental disabilities.

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Fiscal Impact No fiscal impact.

ARC 4710B

Rule Summary Rescinds rules for the defunct U.S. Department of Agriculture's Commodity Distribution Programs, and adopts rules for the federal Emergency Food Assistance Program. The State contracts with organizations to operate distribution sites under this Program. The amendments address the procedure for contract eligibility, and rules for contractor operations and oversight.

Fiscal Impact No fiscal impact.

ARC 4709B

Rule Summary The proposed amendments bring the Department of Human Services into compliance with recently changed Iowa Supreme Court guidelines for calculating child support payments. The changes also align DHS policies on suspension and reinstatement of child support with the Code of Iowa, as amended during the 2005 Legislative Session. The rules expand situations in which the Child Support Recovery Unit can assist parents with altering the child support arrangement. Additionally, the rules state that Unit staff shall follow up on incomplete requests for suspension or reinstatement instead of denying them, as is current policy.

Fiscal Impact No fiscal impact.

ARC 4708B

Rule Summary The amendments implement HF 753 (FY 2006 Foster Care Safety-Related Information Act). The Act requires that certain safety-related information concerning a child be provided to a parent, guardian, foster parent, or other custodian of a child, unless otherwise ordered by a court.

The amendments also implement a provision in HF 825 (FY 2006 Health and Human Services Appropriations Act) that require the Department of Human Services (DHS) to allow an infant's mother to continue to breastfeed an infant that is removed from the infant's home when such contact is in the best interest of the child.

Fiscal Impact It is anticipated that there would be no fiscal impact for providing safety-related information to a parent, guardian, foster parent, or other custodian of a child, since it is current practice to include this information in the case plan.

The fiscal impact for the DHS to allow a mother to continue to breastfeed an infant after removal from the home cannot be determined; however, it is likely to be minimal. Any fiscal impact would be for costs associated with transporting the child to the mother. There are currently 129 infants age six months or younger in placement.

ARC 4707B

Rule Summary Changes transportation rules for licensed child care centers to reflect the child passenger restraint systems required by State law, effective January 1, 2006, as well as the recommendation from the National Transportation Safety Board for center vehicles to be maintained and inspected regularly.

The rules also require all owners, personnel and volunteers, whether in staff ratio or not, to be free from the use of illegal drugs, and not under the influence of alcohol or prescription and non-prescription drugs that could impair the ability to function.

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The rules also require that unrestricted access to children in a child care center be limited to persons with a background check and approval to be involved in child care.

Fiscal Impact No fiscal impact.

ARC 4706B

Rule Summary Allows access of dependent adult abuse information to a court or administrative agency making a determination regarding unemployment compensation.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kerri Johannsen (Ext. 14611) Lisa Burk (Ext. 17942) Sue Lerdal (Ext. 17794)

DEPARTMENT OF INSPECTIONS AND APPEALS

ARC 4730B

Rule Summary The adopted amendment addresses electrical requirements for nursing facilities by permitting the use of wireless calling systems in lieu of nurse calling stations. The Department routinely receives requests for waivers from the requirements dealing with nurse calling stations, which provide for two-way voice communication and a visible signal in the corridor at a resident's door. Modern technology now makes it possible for nursing facilities to use wireless systems, which use pagers to alert health facilities staff of a resident in need of assistance. The adopted amendment stipulates the minimum requirements for nursing facilities desiring to install wireless calling systems.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

INSURANCE DIVISION – DEPARTMENT OF COMMERCE

ARC 4752B

Rule Summary The new subrule describes the applicable reporting requirements for statements of stock ownership. This amendment is a result of changes to federal law. The subrule also enables eligible companies to demonstrate compliance with federal law, and therefore avoid the potential for duplicate filings and related expenses.

Fiscal Impact No fiscal impact.

ARC 4720B

Rule Summary The rule is amended to add a new subrule 35.3(3), which defines biologically based mental illnesses. In addition, rule 35.30 is repealed since it is no longer relevant due to the new statutory language.

Fiscal Impact The fiscal impact cannot be determined. This rule will affect all insurance companies offering group health insurance to the extent that they do not already provide benefits for biologically based mental illnesses. Insurers will be required to amend their policies and procedures.

ARC 4750B

Rule Summary The amendment adopts the latest amendments to the National Association of Insurance Commissioners (NAIC) model regulation on coordination of benefits. The

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amendment gives guidance to carriers on the correct order of payment of claims when a person is covered by more than one policy.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

LABOR SERVICES DIVISION – DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 4774B

Rule Summary Updates Iowa's Occupational Safety and Health rules to conform to federal rules.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

IOWA LOTTERY AUTHORITY

ARC 4732B

Rule Summary Chapter 1 is amended to reflect the current address of Lottery headquarters; Chapter 12 is amended to clarify who is eligible to apply for a Lottery retailer license; and Chapter 14 is amended to establish time limits for redeeming winning tickets sold through Monitor Vending Machines (MVMs), and to set the number of MVMs that can be placed in a single retail outlet.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

NATURAL RESOURCE COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 4719B

Rule Summary Prohibits snagging of fish in designated areas of the Des Moines River, Clear Lake, and Ventura Marsh.

Fiscal Impact No fiscal impact.

ARC 4718B

Rule Summary Removes map turtles from the list of permissive catch, prohibits the harvest of turtle eggs from the wild, and ensures that the escape hole in traps is functional.

Fiscal Impact Minimal fiscal impact. The reported average annual income from the sale of map turtles is \$250 per year.

ARC 4717B

Rule Summary Closes the commercial harvest of mussels in waters of the Mississippi River common to the state of Wisconsin. Commercial demand has weakened since 1997 to the point where there are no licensed mussel harvesters.

Fiscal Impact No fiscal impact.

ARC 4715B

Rule Summary Requires nonresident deer hunters to purchase an antlerless-only license when issued an any-deer license.

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Fiscal Impact The estimated fiscal impact is an increase in revenue to the Fish and Wildlife Trust Fund of \$600,000 per year (6,000 licenses x \$100 fee). The Department of Natural Resources estimates an annual savings of up to \$20,000 due to not having to refund fees to unsuccessful applicants for any-sex deer licenses.

ARC 4716B

Rule Summary Adds procedures for handling injurious or over-abundant Canada geese to the nuisance animal control rules. The rule also qualifies private individuals to handle situations where Canada geese are posing a health or human safety threat.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

PHARMACY EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

ARC 4759B

Rule Summary Clarifies the provisions regarding patient counseling for new prescriptions, specifically stating that an offer to counsel does not fulfill the counseling requirement.

Fiscal Impact No fiscal impact.

ARC 4758B

Rule Summary Changes require that a pharmacy utilizing a computerized prescription record system or a record retention system that does not maintain hard copy records shall be capable of producing, on site, a hard copy of the record or a printout of the prescription fill data upon request of the Board, its representative, or other authorized individual or agency.

Fiscal Impact No fiscal impact.

ARC 4760B

Rule Summary Establishes a procedure for documentation of controlled substances wasted as a result of drug compounding operations or administration to a patient from a registrant's stock or emergency supply of controlled substances. The rule also changes an invalid reference to a renumbered subrule.

Fiscal Impact No fiscal impact.

ARC 4757B

Rule Summary Terminates ARC 4307B relating to the establishment of a centralized electronic database containing records of controlled substance prescriptions dispensed by pharmacies to patients in Iowa.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

PROFESSIONAL LICENSURE DIVISION – DEPARTMENT OF PUBLIC HEALTH

ARC 4704B

Rule Summary Cosmetology Arts and Sciences Examiners – Deletes the requirement to take a separate examination covering Iowa law, except in cases of reactivation; clarifies the date that continuing education in the area of each procedure or device is required;

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addresses salon change of ownership requirements; defines salon and school display of licensure documents; defines salon owner and independent contractor responsibilities; defines whirlpool spa and other sanitation procedure requirements; and provides the Board with the ability to order an examination for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

ARC 4735B

Rule Summary Physical and Occupational Therapy Examiners/Physical Therapy – Proposed amendments define licensure status as active or inactive; define the process for license reactivation and reinstatement; change from pre- and post-continuing education audits prior to licensure, to post-continuing education audits following licensure; add grounds for disciplinary action; and establish the fee for reactivation.

Fiscal Impact No fiscal impact. The reactivation fee is the same as what would have been collected under the previous definition of reinstatement, and no increase in these fees is anticipated.

ARC 4734B

Rule Summary Physical and Occupational Therapy Examiners/Physical Therapy – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

ARC 4736B

Rule Summary Physical and Occupational Therapy Examiners/Occupational Therapy – Proposed amendments adopt a new discipline rule that provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Program.

Fiscal Impact No fiscal impact.

ARC 4733B

Rule Summary Physical and Occupational Therapy Examiners/Occupational Therapy – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

ARC 4699B

Rule Summary Psychology Examiners – Clarifies that there are two examinations to pass for licensure and provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

ARC 4700B

Rule Summary Psychology Examiners – Clarifies that there are two examinations to pass for licensure, and provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.

Fiscal Impact No fiscal impact.

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Rule Summary	Respiratory Care Examiners – Deletes language relating to a graduate to conform to legislative changes.	ARC 4737B
Fiscal Impact	No fiscal impact.	
Rule Summary	Respiratory Care Examiners – Proposed amendments adopt a new discipline rule that provides the Board with the ability to discipline a licensee for breach of an agreement or contact with the Impaired Practitioner Program.	ARC 4738B
Fiscal Impact	No fiscal impact.	
Rule Summary	Respiratory Care Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.	ARC 4739B
Fiscal Impact	No fiscal impact.	
Rule Summary	Social Work Examiners – Proposed amendments add language to clarify what is required in the application for initial license and license renewal; change the term “self-study” to independent study; and adopt a new discipline rule that provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Program.	ARC 4703B
Fiscal Impact	No fiscal impact.	
Rule Summary	Social Work Examiners – Provides the Board with the ability to order an evaluation for mental, physical, or clinical competency, or alcohol or drug screening.	ARC 4702B
Fiscal Impact	No fiscal impact.	
Rule Summary	Interpreter for the Hearing Impaired Examiners – Increases licensure fees by \$20 per licensee. There are 245 interpreters who may renew licenses every two years if they all become eligible for permanent licensure. The Board is new and 176 licensees currently have a temporary license that cannot be renewed until the license passes a national examination. As of July 1, 2007, there will no longer be a temporary licensure status available. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.	ARC 4756B
Fiscal Impact	The fee increase will generate additional revenues of approximately \$4,900. Of this, the Board will retain approximately \$4,400 (90.0%) and \$500 (10.0%) will be deposited into the General Fund.	
Rule Summary	Interpreter for the Hearing Impaired Examiners – Adopts a new continuing education chapter.	ARC 4744B
Fiscal Impact	No fiscal impact.	

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ARC 4745B

Rule Summary Interpreter for the Hearing Impaired Examiners – Adopts a new discipline chapter.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ARC 4755B

Rule Summary Allows for Investment Board participation in the annual performance review of the Chief Investment Officer; removes a limitation of the qualifications of the public member of the Budget Advisory Committee (BAC) by deleting the word "substantial" from the subrule; adds a provision to the IPERS overpayment collection process for persons who violate the bona fide severance requirement and cannot be located; clarifies the time period for certain lump sum payments from calendar month to 30 days; adds amendments to procurement proposals and procedures that align the IPERS rules with those of the Department of Administrative Services (DAS); and corrects scrivener's errors.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF PUBLIC HEALTH

ARC 4701B

Rule Summary Makes changes to the Volunteer Health Care Provider Program, which provides defense and indemnification to volunteer health care providers of free services at approved clinics and to eligible free clinics.

Fiscal Impact The fiscal impact cannot be determined. The Program is currently staffed within the existing budget; however, the Department reports that without an increase in FTE positions, the staff levels for other programs will be impacted.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC SAFETY

ARC 4772B

Rule Summary The proposed rule adopts a new State Building Code, based on the International Building Code and related "International" and "I-Codes."

Fiscal Impact The fiscal impact cannot be determined since the numbers of buildings and facilities subject to the provisions is unknown. The Codes proposed for adoption, however, allow for flexible alternatives at a lower cost than the Codes being replaced.

ARC 4753B

Rule Summary This rule proposes adoption of a new chapter governing certification programs for fire extinguishing contractors.

Fiscal Impact The fiscal impact is estimated to be \$30,000 annually for administration of the certification program. This includes 0.5 FTE position for clerical support, with the remainder to be absorbed by existing administrative and professional staff in the

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Department of Public Safety, Division of Fire Protection. An estimated 60 contractors will be certified, with each paying an annual \$100 non-refundable application fee to register as a fire extinguisher contractor, and a \$400 annual certification fee. (If the application is rejected, the \$400 certification fee would be returned to the contractor.) Section 100C.9, Code of Iowa, provides that the fees generated will be used to support administration of the program.

ARC 4773B

Rule Summary The proposed rule adopts the State Historical Building Code. The State Historical Building Code is an alternate code used only at the discretion of the designer.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

RAILWAY FINANCE AUTHORITY – DEPARTMENT OF TRANSPORTATION

ARC 4705B

Rule Summary Section 327H.20A, Code of Iowa, as amended by House File 875 (FY 2006 Infrastructure Appropriations Act), establishes a Railroad Revolving Loan and Grant Fund under the control of the Iowa Railway Finance Authority. The proposed rules contain requirements and procedures for administration of loans and grants from the Fund.

Fiscal Impact This is a funding program to expend moneys credited to the Railroad Revolving Loan and Grant Fund. The Fund is used for the purpose of providing loans and grants for railroad-related improvement projects. It is estimated that \$3.5 million will be available in FY 2005 through FY 2006, and \$500,000 will be available in subsequent fiscal years.

STAFF CONTACT: Dave Reynolds (Ext. 16934)

REAL ESTATE COMMISSION – PROFESSIONAL LICENSING DIVISION, DEPARTMENT OF COMMERCE

ARC 4697B

Rule Summary The rule requires the disclosure of any restrictive covenants in the Residential Property Seller Disclosure Statement. The rule also renumbers requirements as needed.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF REVENUE

ARC 4713B

Rule Summary The proposed rule includes numerous changes and clarifications for motor fuel tax rates and tax filing requirements to comply with current law. Changes include:

- Authorizes the Director to require the following groups file tax returns electronically: underground storage tank depositors; licensed liquefied petroleum gas and compressed natural gas dealers; suppliers, restricted suppliers, importers, and blenders that report more than 100,000 gallons of product; and all licensees for returns due after April 30, 2006. Also, authorizes the Director to

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require that all reports and returns due under Chapter 452A, Code of Iowa, be filed electronically.

- Excludes methanol from the definitions of “motor fuel” and “special fuel” unless it is blended with other fuels for use in motor vehicles or aircraft.
- Adds the definition of “E-85 gasoline.”
- Reflects the change in the gasoline tax rate from 20.5 cents to 20.7 cents per gallon for the period July 1, 2005 through June 30, 2006.
- Adds the new tax rate of 17.0 cents per gallon for E-85 gasoline beginning January 1, 2006, and explains the Department’s procedure for determining if the rate will remain in effect the following fiscal year.
- Explains the procedures for implementing the inventory tax that was enacted several years ago.
- Adds a fuel tax exemption to a company operating a taxicab service under contract with an Iowa urban transit system.
- Adds rules to implement the tobacco tax retail permit legislation enacted in HF 339 (FY 2006 Cigarette Permits, Hookah Bars Act).

Fiscal Impact

The estimated fiscal impact of the increase in gasoline tax from 20.5 cents to 20.7 cents per gallon is a net increase of \$4.6 million to the Road Use Tax Fund in FY 2006 compared to FY 2005. The net increase includes an estimated decrease of \$11.9 million resulting from a decrease in tax revenues collected from gasoline. The decrease in gasoline tax revenues is due to a decrease in gasoline usage. The decrease, however, will be offset by an estimated increase of \$16.5 million in tax revenues collected from ethanol-blended fuel. The estimated fiscal impact of taxing E-85 at 17.0 cents instead of 19.0 cents is a decrease to the Road Use Tax Fund. The decrease, however, is estimated to be minimal.

ARC 4769B

Rule Summary

These rules implement HF 868 (FY 2006 Grow Iowa Values Act). The Act provides for tax credits under the High Quality Job Creation Program, and for an Economic Development Region Revolving Fund tax credit.

Fiscal Impact

The Innovative Renewable Energy Research tax credit would reduce General Fund Revenues by an estimated \$1.0 million in FY 2007. Tax credits related to the High Quality Job Creation Program would reduce General Fund revenues by an estimated \$1.8 million in FY 2007. The reduction in revenue would grow to \$9.0 million for FY 2011 and beyond.

The Economic Development Region Revolving Fund tax credit will be \$2.0 million annually. This amount could vary in future fiscal years, depending on the amount of tax credits awarded in one fiscal year. House File 868 allows up to \$2.0 million annually in tax credits awarded, plus any unused tax credits from the previous fiscal year.

ARC 4714B

Rule Summary

The proposed new chapters are intended to implement Chapter 423, Code of Iowa, otherwise known as the Streamlined Sales and Use Tax Act. The newly-drafted rules are intended to accomplish three things: 1) To explain the changes to Iowa sales and use tax law made by the Streamlined Sales and Use Tax Act; 2) To preserve the existing interpretation of portions of Iowa sales and use tax law, which the Streamlined Sales and Use Tax Act does not change; and 3) To remove from the new rules as many references as possible to sales and use tax law as they existed prior to July 1, 2004, the effective date of the Streamlined Sales and Use Tax Act. In

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addition, one rule is intended to correct an inaccurate definition of the phrase “inert gas.”

Fiscal Impact No fiscal impact. The rules proclaim existing law and the Department’s existing interpretation of that law. There are no changes to the rules which would cause revenues received to rise or fall.

STAFF CONTACT: Jess Benson (Ext. 14613)

SCHOOL BUDGET REVIEW COMMITTEE – DEPARTMENT OF EDUCATION

ARC 4723B

Rule Summary Creates a uniform accounting system for all school districts using Generally Accepted Accounting Principles (GAAP) for budgeting and reporting to the general public, as required by Section 257.31(4), Code of Iowa.

Fiscal Impact No significant fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

SECRETARY OF STATE

ARC 4743B

Rule Summary The proposed amendment requires that a county auditor applying for a waiver submit two additional types of documentation: Letters from three elected officials from governing bodies, that include the precinct (city officials, county supervisors, or township officials), supporting the finding that there is no accessible place within the precinct that can be used for a polling place. In addition, the letter is to include a statement explaining why it is not reasonable to move the polling place to another, accessible location outside the precinct or to combine the precinct with another adjacent precinct that has an accessible polling location. The revised instructions also remind auditors of their duty to make buildings used as polling places accessible on election day.

Fiscal Impact No fiscal impact.

ARC 4742B

Rule Summary The amendments provide programming and vote counting procedures for the Diebold Election Systems’ voting system, which includes the Global Election Management System (GEMS), AccuVote-OS Optical Scan precinct and central count ballot scanner, and the AccuVote TSX DRE touch screen direct recording electronic voting machine. The AccuVote TSX DRE includes an optional, external paper report printer to display voters’ choices before the voter records the ballot.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

SOIL CONSERVATION DIVISION – DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

ARC 4728B and ARC 4729B

Rule Summary Defines the roles and responsibilities of financial partners within the Conservation Practices Revolving Loan Fund; revises the Loan Fund allocation process; provides rule clarifications; and adds the Iowa Finance Authority as a financial partner that can administer loans.

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Fiscal Impact No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

STATE PUBLIC DEFENDER – DEPARTMENT OF INSPECTIONS AND APPEALS

ARC 4698B

Rule Summary Amends the rules to increase the mileage reimbursement rate for court-appointed counsel from 24 cents per mile to 30 cents per mile.

Fiscal Impact The fiscal impact is estimated to be approximately no more than \$72,000 annually.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

ARC 4754B

Rule Summary The proposed rule change reflects recent organizational changes made by the Commission and the General Assembly during the 2005 Legislative Session in HF 814 (Electronic Notices of Bidding Requirements Act). The proposed rule change also revises some nonsubstantive items and adds detail to the agencies' Administrative Rules.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

UTILITIES DIVISION – DEPARTMENT OF COMMERCE

ARC 4761B

Rule Summary The amendments implement changes to Section 476.1D(1), (2), and (3), Code of Iowa, as required by HF 277 (FY 2006 Telephone Utility Regulation Act), clarifying the Board's rules relating to the provision of telecommunications service.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 4746B

Rule Summary The proposed rules make the following changes:

- Adds a new rule to conform to federal rules and to implement HF 764 (FY 2006 Unemployment, Employer Transfer of Experience Act). The rule allows the unemployment experience of the employer selling an organization, trade, or business, to be transferred to the acquiring employer for calculation of the unemployment tax rate.
- Makes clear that any payments of Unemployment Compensation will not be charged to the employer during the period in which the Department is processing a reversal.
- Makes clear the employee-leasing companies that provide workers primarily for construction will be classified as construction employers.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)
